

May 3, 2002

The Honorable Joseph R. Biden  
Chairman  
Senate Foreign Relations Committee  
446 Dirksen Building  
United States Senate  
Washington, D.C. 20510

The Honorable Jesse Helms  
Ranking Member  
Senate Foreign Relations Committee  
446 Dirksen Building  
United States Senate  
Washington, D.C. 20510

Dear Chairman Biden and Ranking Member Helms:

Congress created the bipartisan, twelve-member United States-China Security Review Commission ("the Commission") in October 2000 for the purpose of monitoring, investigating and reporting on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China. The Commission is charged with delivering its first report to the Congress in June 2002, along with recommendations for legislative or executive action. We have also been asked to alert Congress to any concerns or recommendations that may develop in advance of submitting our report, where appropriate.

One issue that has arisen in the Commission's deliberations is the export of goods made by forced or prison labor from China to the United States. U.S. law prohibits the importation of such products from any country. Although the United States and China signed a memorandum of understanding (MOU) in 1992 and a subsequent statement of cooperation (SOC) in 1994 to safeguard against the import of forced labor products into our country from China, that country's cooperation in implementing these understandings that involve on-site inspections has been, at best, sporadic. According to the Department of State, China for the most part has rejected or ignored U.S. requests to inspect alleged Chinese prison labor facilities.

The Commission believes that U.S. law is not being adequately or effectively enforced against the import of forced or prison labor products from China. The Commission recommends that enforcement be improved by shifting the burden of proof from the U.S. government to companies that import such goods into the United States. Such companies would be required to certify, based on good faith efforts, that the products they are importing are not made by forced or prison labor. Once credible charges are made that a particular company is importing goods made by forced or prison labor, such products would not be allowed to enter the U.S. market until U.S. Customs officials complete an investigation of the charges and conclude that forced labor is not being used to make the products. With regard to countries such as China, where forced labor is practiced and with whom we have an inspection arrangement, all goods from a suspect facility will be blocked from entering the U.S. market if requests for inspection are denied or ignored.

Enclosed is a Commission policy paper outlining our recommendations. Commissioner Reinsch does not concur in some of them.

Sincerely,

Michael Ledeen  
Vice-Chairman

Patrick A. Mulloy  
Acting Chairman

Enclosure